

Canada Pension Plan Disability Benefit

What is the CPP Disability Benefit?

Canada Pension Plan (CPP) Disability Benefit provides a monthly taxable benefit to CPP contributors who are disabled, and their dependent children. You should apply for CPP Disability Benefits if you develop a severe and prolonged illness or a disability that prevents you from working at any job.

The CPP Disability Benefit is available to people who made enough contributions to the CPP. There is a provision in the CPP legislation which allows a period of time to be removed or “dropped out” when calculating your contributions to the CPP. Excluding this period of low or no earnings can help you become eligible for the CPP disability benefit. It can also increase the amount of your benefit.

How Do I Qualify for CPP Disability Benefits?

To qualify you must be under age 65, contributed into the CPP at least four of the last six years, or paid into the CPP for at least 25 years and made valid contributions to the Plan in the three of the last six years.

If you are applying for a CPP disability benefit but stopped working so long ago that you no longer have CPP contributions in four of the last six years, but you meet all the other conditions of eligibility, you may still be eligible. This is called the late applicant provision. If you had enough years of CPP contributions when you first became severely disabled, and as long as you are considered to be continuously disabled from that date up to the present time, you may be eligible.

You must show through supporting medical documentation that you have a severe and prolonged disability as defined by the CPP legislation.

For information regarding whether you have sufficient contributions, you can contact Service Canada by telephone at 1- 800- 277-9914 or by registering for a My Service Canada Account and requesting your Statement of Contributions.

Your benefits start four months from the date of your disability. If you apply late, you may be entitled to benefits dating back a maximum of one year from the date you apply. To remain eligible, you must continue to have a disability as defined by the CPP legislation.

How Do I Apply for the CPP Disability Benefit?

You can apply for CPP disability benefit online (you must also send a consent form by mail) or using the paper application. To apply online: You must register for a My Service Canada Account. To submit a paper application, you must mail your completed form in or drop it off at a Service Canada office. You will also be required to submit either a medical report or Terminal Illness Medical Attestation form completed by a doctor or nurse practitioner.

How Long Does It Take for My Application for Disability Benefits To Be Approved?

It can take up to **4 months for a decision to be made**. A decision on your application can only be made a complete application and a signed medical report have been received. This time frame is much shorter if your condition is grave (**30 calendar days**) or you are terminally ill (**5 business days**). It is important to submit as much supporting medical documentation as possible at the time the application is made.

What Are My Responsibilities Once I Start Receiving CPP Disability Benefits?

You must notify Service Canada when:

- When you return to work (including self-employment)
- You are attending school and/or volunteering for 15 hours or more per week for 4 months or more
- Your medical condition improves enough that you may be able to return to work
- Your mailing address, telephone number, or bank account used for direct deposit changes, and/or
- Your custody and control of dependent children starts or ends (including by birth, adoption, marriage, common-law relationship, or death)

You must also notify Service Canada of any changes in the status of your child(ren) for whom benefits are payable.

What Are My Options if My Application for CPP Disability Benefits is Denied?

If you disagree with the decision, you may ask to have the decision reviewed. You must request this review in writing **within 90 days** of receiving your decision letter.

There are three ways to request a review of the decision:

1. Submit your request online using your My Service Canada Account (MSCA).
2. Complete and submit the Request for Reconsideration of a Canada Pension Plan Disability Decision form (ISP-1145)
3. Prepare and submit a written request to review the decision. Details for what to include in this letter can be found on the Government of Canada website.

Reconsideration can take about 120 days to complete, depending on the case. If you disagree with the new decision, you can contact the Social Security Tribunal to appeal.

How will receipt of a CPP Disability Benefit affect my Long-Term Disability Benefit?

Most Long-Term Disability benefits include a provision that will deduct your CPP Disability Benefit from the amount you are receiving from the insurance company. If you are in receipt of Long-Term Disability your insurance carrier may require you to apply for the CPP Disability Benefit. You must comply with their request, or risk having an estimated CPP Disability amount taken from your monthly disability amount, even if you aren't receiving the CPP Disability Benefit.

Is my CPP Disability Benefit taxable?

Yes, the amount is considered taxable income, however, CPP does not remove income tax from the amount you receive, unless you request them to do so. Early each year, you will receive a T4A tax slip showing the amount you received during the previous year. You must include this slip when you file your annual income tax return. If you would prefer to have income tax taken off your monthly CPP Disability Benefit you can contact Service Canada and request they remove some funds for income tax purposes.

How will applying for CPP Disability Benefits impact my CPP Retirement pension?

If you are not working, even if it's due to a disability, CPP will record your income as \$0 because no CPP contributions are being made and you are not earning income that is considered pensionable by CPP (e.g. WSIB and/or LTD benefits are not considered pensionable). The CPP Retirement pension is calculated based on an average of your earnings over your entire career. Therefore, every year \$0 is entered as your income negatively impacts your CPP Retirement Pension. However, if you apply for and are approved for CPP-Disability, when you retire CPP drops out the years you were approved for CPP from the retirement pension calculation. This means, that the \$0 that might have been recorded are now not impacting the average salary calculation, thereby increasing your CPP Retirement pension.

In most cases, it is strongly recommended you apply for CPP Disability benefits if you believe you will qualify.

For additional information regarding CPP Disability Benefits, how to have a decision reconsidered, or how to appeal a decision, please contact Service Canada by telephone: **1-800-O-Canada (1-800-622-6232)**, TTY: **1-800-926-9105** or at their Website www.servicecanada.gc.ca

OPSEU/SEFPO does not represent members in CPP appeals, however, you may eligible for funding from the Solidarity Reserve Fund. For more information contact the Pensions and Benefit unit.

If you wish to contact the Pensions and Benefits unit, please email us at pensionsandbenefits@opseu.org

This publication contains general information and is intended as a reference only. It is not a substitute for independent legal advice regarding your situation.